# ECOTECH-IAP: A NEW CHALLENGE FOR APEC? *

**By Medhi Krongkaew** **

## 1. Introduction

The events surrounding the creation and promotion of economic and technical cooperation (ECOTECH) in APEC are not always pleasant ones. In its relatively youthful existence, ECOTECH (and its operational body, the SOM Subcommittee on Economic and Technical Cooperation, or ESC), has gone through heated debate on its creation, uncertainties about its direction, and doubts concerning its usefulness. However, at the beginning of the second decade of APEC, ECOTECH has assumed a new position, a position that could indeed defines a new role of APEC in international economic relations. ECOTECH has made an inroad into the thinking of many people, both inside the APEC process as well as the general public at large as to its promising role in bringing about a faster realization of freer trade and investment in the Asia Pacific region and also more sustainable development among less developed APEC members. It its latest, and probably most exciting development to date, APEC Ministers, in their 12th meeting in Brunei in November 2000, has reaffirmed the importance of ECOTECH in achieving the Bogor goals of free trade and investment in the APEC region by 2010 and 2020, and as a means to a more focused and intensified action agenda, has instructed APEC officials to consider the possibility of establishing individual action plans or IAPs on ECOTECH.

What is an IAP on ECOTECH? This seemingly simple question is indeed quite difficult to answer. In the meeting of the first ESC for 2001 in Beijing in February, this was the subject of a very lively discussion that ran for almost one full day. At the end,

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I wrote this paper in my personal capacity as an APEC researcher, not as Chair of the ECOTECH Subcommittee of APEC SOM of which I neither have the authority nor the authorisation to represent. I wish to thank CSEAS for sponsoring my stay in Kyoto, and the Thai Ministry of Foreign Affairs in supporting my work at the SOM Subcommittee on ECOTECH which enables me to write this paper. I also thank Mohan Mathews, Program Director in charge of ECOTECH at the APEC Secretariat for many of his suggestions and comments, and also Ms. Jaroenjit Pothong, Assistant to the ESC Chair, for her various assistance and feedbacks. I, alone, am responsible for all the errors and shortcomings of this paper.

with no agreement reached on the understanding of this ECOTECH-IAP, members were asked to spend more time thinking about it and communicating with one another on their understanding and perception of the concept. This short article is my small contribution to the discussion on the true meaning of ECOTECH-IAP. I will begin by reiterating, in Section 2, the importance of ECOTECH in the context of the desirable APEC process, then switch on, in Section 3, to the discussion on the IAPs on trade and investment liberalization and facilitation (TILF) as an example on how the concept of individual action plan has been put into practice. Section 4 is the main section that discusses various concepts of ECOTECH-IAPs. It is here that major points concerning the understanding (and misunderstanding) of ECOTECH-IAPs are considered. Section 5 is my preliminary attempt to construct a template for an ECOTECH-IAP. Finally, I make some concluding remarks in Section 5.

## 2. The ECOTECH Struggle

When APEC was formed in 1989, the basic idea behind this regional grouping in the Asia Pacific was to protect its members from possible negative effects from a possible trade war between the US and Europe in the event of the failure of the Uruguay Round of Multilateral Trade Negotiations. But when the Uruguay Round became successful, APEC had changed from a possible trade bloc to an open economic association, harbouring 'open regionalism' whereby members promised to liberalise their trade and investment unilaterally and give equal treatment to members and non-members alike. Trade and investment liberalisation and their facilitation became the main focus of this new regional grouping. Although economic and technical cooperation was not mentioned as part of the main objectives of APEC, the essence of this aspect of regional grouping could be found in the functions of several working groups that were set up at the same time as the main APEC body. In 1994 when Indonesia hosted the APEC leaders' meeting for that year, it insisted that trade and investment liberalisation and facilitation be accompanied by 'development cooperation' aimed at developing capacity in the developing economies to be able to take part in the liberalisation process. This was the closest reference to economic and technical cooperation as we know of it today.

It was not until 1995 when Japan hosted the APEC leaders' meeting for that year in Osaka that economic and technical cooperation was given an unequivocal role as the third leg or pillar of the APEC process. The guideline for APEC members to attain the Bogor goals were given in a monumental document, the Osaka Action Agenda (OAA), which consisted of two parts, the first part concerning TILF, and the second part, ECOTECH. In this Part II of

the OAA, Japan proposed three basic principles that APEC economies should follow in order to achieve the objectives of the Bogor goals. First, APEC economies would pursue economic and technical cooperation in order to attain sustainable growth and equitable development while reducing economic disparities among members and improving economic and social well-being. Second, APEC economies would conduct economic and technical cooperation on the basis of the principle of mutual respect and equity, mutual benefit and assistance, constructive and genuine partnership and consensus building. And third, APEC members would develop an environment favourable to the effective operation of market mechanisms and integrate into the cooperation process, the business/private sector as well as involve wherever possible other pertinent institutions. Thirteen specific areas were listed in this Part II of the OAA with examples of concrete action programs given in the Annex of the OAA.

The next year in 1996, APEC leaders in their fourth annual meeting in Manila, further advanced the development of ECOTECH concept by identifying six priority areas that would come under the operational framework of ECOTECH. These six priority areas include human capital development, capital markets development, economic infrastructure strengthening, technology harnessing, promotion of environmentally sound growth, and development and promotion of small and medium scale enterprises. [1] Even with these small number of specific priority areas, ECOTECH matters became quite complex, and the coordination and management of ECOTECH agenda both in the original OAA and under the new Manila Declaration had become difficult for APEC senior officials. Therefore, in 1997, some economies began to propose the idea of creating a committee to look after the operation and management of the ECOTECH agenda similar to the Committee on Trade and Investment (CTI) which has been in existence since 1993 to look after the operation and management of the TILF agenda. This was strongly opposed by some economies fearing that by creating a separate committee for ECOTECH, the attention and focus of APEC might be deflected away from trade and investment liberalisation and facilitation which was the most important objectives of APEC. After much heated debate in a senior official meeting in Canada in 1997, a compromise was reached whereby a subcommittee rather than a committee would be set up to work directly under senior official mechanism. This subcommittee would be called SOM Subcommittee on Economic and Technical Cooperation or ESC for short.

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[1] To me, it was unclear why APEC Ministers and Leaders selected these six priority areas and not others, and which of these six is more important than the other.

Thus the ESC was born and started to work in 1998. After 3 years the direction of the ESC has become clearer in its function to assist senior officials in coordinating and managing ECOTECH agenda as well as to identify value-added initiatives for cooperative action. [2] But it is too early to say that the problems of the ESC in the APEC process have been solved. Its existence as a subcommittee is a source of confusion to many people outside the APEC circle, as this is different from many subcommittees under the jurisdiction of the CTI. As long as the ESC remains a subcommittee, the legacy of conflict concerning its birth will also remain. Sooner or later, this issue of the status of the ESC in the overall framework of APEC fora will come up onto the surface to be discussed among senior officials and other official organisations. At present, the ESC has been involved in both narrow and broad functions of the ECOTECH development which I call 'Track I' and 'Track II' development. The adoption of the ECOTECH-IAP could in fact enhance the status and position of the ESC in its handling of the ECOTECH matters. But before it passes this stage, all members must be clear on the meaning of this ECOTECH-IAP. This is why we must learn something from the TILF-IAP to see if they could provide good examples for ECOTECH agenda as well.

## 3. TILF-IAP as an Example

Part I of the OAA is about how APEC members could prepare themselves to reach the Bogor goals in 2010 or 2020. True to its fundamental support of open regionalism, OAA Part I recommends each APEC member to initiate individual action plans for its own trade and investment liberalisation. As specified in the APEC Individual Action Plans Format Guidelines, action plans will contain specific and concrete details, with time frame, for the near and medium term, while outlining the basic direction toward 2010 or 2020 as the case may be. These plans will also be of a rolling nature, with revision conducted through consultation process and reviews which reflect the continuous and voluntary improvement of the action plans. The first TILF-IAP format was developed by the CTI in 1996, which enabled several APEC members to construct their IAPs toward the end of that year. So, 1996 marked the first year in which these TILF-IAPs became available. A typical IAP will consist of a summary cover sheet which gives a summary of specific changes against the last version of the IAP, a summary in matrix form detailing actions for the short term, the medium term, and the long term for each TILF issue specified in the OAA, and a narrative bullet-points summarising the highlights of the IAP, heading statements, and detailed statements. In detailed

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[2] I have written a paper discussing various problems concerning the status and operation of the ESC and suggesting ways and means of increasing the effectiveness of the ESC in its handling of the ECOTECH agenda. For details, see Medhi (2000).

statements, the following issue areas are included: tariffs, non-tariff measures, services, investment, standard and conformance, customs procedures, intellectual property rights, competition policy, government procurement, rules of origin, dispute mediation, mobility of business people, implementation of Uruguay Round outcomes, and information gathering and analysis. In 1999, member economies agreed to adopt electronic version of the IAP preparation (the e-IAP), and for some economies, their annual IAPs are available in electronic format.

When the IAP concept was launched and accepted by all APEC members in 1996, this had created a great deal of excitement among members and non-member alike. The uniform efforts by all members to accommodate this IAP requirement showed a good cooperative spirit among APEC members. These members also take turn to offer their IAPs for peer reviews, which take place regularly at subsequent senior official meetings (SOMs). Despite a report by a group of researchers that the progress of these IAPs among all APEC members were slow and uneven, the TILF-IAP concept remains one of the most progressive examples of concerted unilateral efforts at trade and investment liberalisation that APEC can always claim. [3] At least the concept of IAP has become so well known that it is often used to show the uniqueness of APEC's voluntarism. In other words, IAP has assumed a special meaning that goes beyond the pure factual details of what have been included in the matrix of tariff and non-tariff changes. This TILF-IAP has reflected the individual, unilateral, commitments of APEC members toward free trade. It is this type of meaning that the word IAP is to be better understood.

## 4. ECOTECH-IAP: What It Is; What It Is Not.

In the previous two sections, I have attempted to show two points: one is to show that ECOTECH has become a very important addition to the basic APEC concept that traditionally concentrates on trade liberalisation matters only, and the other is to show that the word IAP has developed its own special meaning that conveys the sense of unilateral commitments toward a set goal, which in the TILF case, is free trade and investment in the Asia Pacific region. Under these two conditions, the meaning of the term ECOTECH-IAP has become very clear to me. I see it as a remarkable foresight

[3] See the report by Yamazawa Ippei et al. which traced the progress of each APEC economy in its liberalising quest toward free trade in the year 2010 and 2020. While the outcome of the evaluation did not show a fast enough declining trends toward zero tariffs and other removal of non-tariff barriers in the target years, it may be too harsh to believe the satisfactory progress toward Bogor goals must be judged by the magnitude and rate of decline. It is possible that tariff reduction and the fall in non-tariff barriers may come in wave rather than continuous fall, and big adjustments could be forthcoming nearer to the deadlines.

that all APEC members have put ECOTECH in the forefront of the APEC process, and noble and honourable commitments that APEC members have pledged to prepare themselves to trade and invest freely with one another.

There are of course several ways in which preparation for free trade and investment could be undertaken. There is no lack of efforts in developing members of APEC to try to become ready to trade and invest with their more developed partners, and similar efforts in developed members of APEC to help their less developed partners to be able to do so by providing technical guidance, assistance, advice and best practices. Recently a new thinking has gained currency on top of the interpretation to the meaning of ECOTECH. ECOTECH now means more than just modality of preparation for free trade and investment, it also means a separate, stand-alone, endeavour to develop each individual economy into a self-sustaining and economically-sustainable entity. This latter meaning was used to be looked upon negatively by some free trade proponents because anything that strays from free trade movement would be considered undesirable. A new way of thinking has replaced this narrow, self-serving view of free-trade-at-all-costs. What good is free trade if one partner gains at the expense of the other partner? Free trade should bring in mutual net benefits, not the gains to one and the losses to the other. No country or economy would willingly sacrifice its own economic welfare simply for the benefits of others. But this country or economy may willingly sacrifice some of its economic welfare in the short run (through the pains of policy reform and adjustment, and other forms of preparation) in exchange for efficiency and equity gains in the long run. So, to help these economies to attain the level of development that trade and investment with one another will begin to produce mutual net benefits is part and parcel of the new thinking on the meaning of ECOTECH.

So, an individual action plan on ECOTECH can be looked upon as a commitment by APEC members to achieve either one of the two or both ECOTECH goals mentioned above. As these two goals will converge in the end, there is no conflict if one is achieved ahead of the other. [4] But it could be argued, however, that ECOTECH can be very wide, encompassing a large area of economic and other social activities. What parts or aspects of ECOTECH should members be involved in in their individual plan of action? This is a valid question and needs to be answered before one can proceed a step further. Taking note of the existing system

[4] This is a matter of domestic politics and strategies rather than international relations matters. Some economies may opt for free trade first and use the change brought about by free trade to mount domestic policy changes that will bring faster and more sustainable growth later. Other economies may do the opposite, that is to develop local economy first before open up more fully.

of activities being undertaken by various working groups under APEC, these activities could be adopted as chosen activities under ECOTECH-IAPs. Or to make the whole process more manageable and more focused, only one or two major ECOTECH activities may be selected first, with other activities to be added or included later on. A good candidate for the first activity to be selected is human resources development or human capacity building as this is a well-recognised area that can bring about desired growth and development in any economy. [5] But this should not limit the choice and selection of any economy which finds a more appropriate activity in other areas.

Another way of looking at the true meaning of ECOTECH-IAP is to consider this new APEC activity as the missing link that will complete the whole circle of the APEC process. As things stand at the moment, only TILF has it individual action plans and collective action plans (CAPs), and as pointed out earlier, these activities were explicitly mentioned in the OAA Part I, whereas no equivalent actions were given on ECOTECH in the OAA Part II. As Japan, one of the proponents of ECOTECH-IAP has put it, while this OAA Part II has suggested a variety of ECOTECH measures to be undertaken by member economies, their implementations have not been followed seriously by member economies. In this respect, Japan has proposed that APEC be equipped with another separate engine to promote ECOTECH activities, that is to say, while all members, on the one hand, collectively implement the decisions made by leaders and ministers concerning ECOTECH, each member is, on the other hand, expected voluntarily to take such individual actions as listed in the OAA Part II. [6]

Despite the enthusiasm of the proponents of this ECOTECH-IAP, this concept is not without its sceptics. In the discussion in the first ESC meeting as well as after it, many questions were raised by various economies concerning this ECOTECH-IAP, not so much on the usefulness of ECOTECH on the APEC process as a whole, but on the failure of this new activity to add value to the existing activities, on the existence of alternative means that could achieve the same objectives, on appropriate timing of this new activity, on the difficulty in measuring the outcome of this new activity, and on the apprehension that this ECOTECH-IAP may in fact hide an agenda for some developing members to ask for financial assistance from more developed members. These

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[5] This was indeed the position taken by Singapore in its proposal to prepare a prototype of an ECOTECH-IAP on human resources development for members to consider for adoption. This position and proposal has received wide support among APEC member economies in the meeting.

[6] It looks as though Japan has been working closely with China on this ECOTECH-IAP proposal, sharing the same ideas, direction, and emphasis of this new ECOTECH activity.

questions and reservations are listed below. And in all fairness to the sincere reservations expressed by various economies, these questions can be satisfactorily answered by referring to the true nature of ECOTECH-IAP.

**(a) The Lack of Added Value of an ECOTECH-IAP**

Some members have expressed concern that this ECOTECH-IAP does not add value to the activities already being undertaken in various APEC fora. This is rather a matter of opinion. It is true that activities to be adopted in the ECOTECH-IAP could indeed be taken from other existing work programs, but the manner in which, or the procedure with which, this IAP is being pursued could not possibly lessen the value of the outcome that these efforts may bring. On the contrary, by becoming more direct and more efficient in the implementation of a chosen program, the value of the outcome could increase. Above all, this ECOTECH-IAP is the announced commitment that the economy in question is determined to achieve. Everything will be subject to open scrutiny and evaluation that can only bring acceptable results to the majority of the people (otherwise it would not pass the decision of policy makers).

**(b) The Overlap with ECOTECH Clearing House Facilities**

In 2000, APEC leaders were able to announce the launching of the ECOTECH Clearing House facilities (or the Clearing House, for short) which was hailed as one of the most important ECOTECH achievements for that year. Some members were concerned that with this Clearing House still less than one year old and hardly reached its full-use potential, any new activity which overlaps with it would waste resources and create confusion. This question is easy to deal with, as the two activities are not the same. The Clearing House is web-based collection of all data and information concerning finished and on-going ECOTECH projects using APEC central funds as well as those with self-funding arrangements. It is a useful source of information for those who want to know what APEC has done in terms of ECOTECH activities, to start the evaluation of these activities, or to plan a new activity that will not duplicate or repeat old projects but extend or improve upon old projects. The ECOTECH-IAP will go beyond the Clearing House but may need to rely on the Clearing House for past records of who has done what, where, how or how well. It is true that in one original proposal for the ECOTECH-IAP, the stock taking of the past ECOTECH activities are required, but this step is not critical to the operation of the IAP and can be bypassed. But if such stock taking is to be undertaken, the Clearing House will become a handy source for that. [7]

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[7] In fact it can be argued that full utilisation of the Clearing House will become a prerequisite for the development and preparation of an ECOTECH-IAP.

**(c) The Non-Quantifiability of ECOTECH-IAP Outcome**

According to some critics, ECOTECH-IAP will not work because it does not have quantifiable outcome like TILF-IAP which measures the progress toward free trade by how much and how fast tariffs have been reduced or other non-tariff barriers dismantled. There are at least two ways of dealing with this problem. One is to argue that everything can be quantified if one wants to. Students of economic benefit-cost analysis are all familiar with the discussion how economists value life, leisure, beauty, and other intangible costs and benefits. But a more appropriate way of dealing with the above question would be that quantifiability is not the most important criterion to judge the usefulness of any activity. Some activities can lead to an outcome that are difficult to quantify but is likely to be understood easily and quickly. On the contrary, some activities that have clear outcomes but convey little in terms of common understanding. ECOTECH-IAP on the language skills of workers in exporting industries may not be measured in terms of how many vocabularies they learn in a week, but in terms of how much more productive these workers perform their tasks because they understand the instructions given in foreign languages better.

**(d) The Impossibility of Individual or Unilateral Nature of an ECOTECH-IAP**

Unlike TILF-IAP which possesses a truly individualistic nature of action, ECOTECH-IAP has been criticised by some critics as lacking the necessary qualification for an individual action plan. According to this view, ECOTECH activities are cooperative, not unilateral, in nature, therefore, they do not lend themselves to individual action plans. This may be partly true, as some of the earlier ECOTECH action plans, particularly the Partners for Progress (PFP) program launched by Japan after the Osaka Summit in 1995 was one of this type.[8] But it would be wrong to limit action plans to those where many members need to join before they can called an ECOTECH-IAP. The PFP type of project can be

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[8] It is interesting to note that the PFP program was proposed by then Minister of Foreign Affairs of Japan, Mr. Kono Yohei, at the APEC Ministerial Meeting in Jakarta in November 1994. It was the same Minister of Foreign Affairs, Mr Kono Yohei, who, at the APEC Ministerial Meeting in November 2000, proposed the establishment of the ECOTECH-IAP. Mr Kono's PFP in 1995 could easily qualify to be his new ECOTECH-IAP in 2001. It seemed that Mr. Kono has had this notion of IAP on ECOTECH longer than any APEC ministers.

In its original form, mutual assistance and voluntarism were the basic principles of PFP. APEC members participated in a PFP project on a voluntary basis as partners in mutual cooperation. PFP projects expected that as many members as possible benefited from the projects, and they promoted mutual cooperation to the greatest extent possible. The contributions of members had gone beyond financial assistance and taken such forms as provision of facilities, dispatch of instructors and others. Financial contributions could come from both public and private sector contributions.

undertaken both collectively and individually. For example, to refer to the actual projects that Japan supported under this PFP program, the first project was the Industrial Property Rights project undertaken with the Department of Intellectual Property, Ministry of Commerce of Thailand, the second was the Standards and Conformance Assessment Schemes undertaken with the Standards and Industrial Research Institute of Malaysia, and the third was the Competition Policy undertaken with the Department of Internal Trade, Ministry of Commerce of Thailand. Thailand and Malaysia could have undertaken these projects individually by inviting foreign and local experts to conduct seminars and training workshops to local officials from various government agencies who are involving with industrial property rights, standard and conformance, or competition policy.

**(e) The ODA Character of an ECOTECH-IAP**

Some critics may suspect that this ECOTECH-IAP is nothing but a proposal for foreign aid in disguise. If this should happen 50 years ago when most countries in the Asia Pacific region were so poor and backward that they could do nothing much except waiting for foreign aid to come, then the above suspicion could have some validity. But APEC members today have come very far from the situation where aid, not trade, matters more to these people. At the level of development these economies are now in, it is trade, not aid, that matters more to them. Besides, these Asian Pacific economies have realised that aid without good reasons could harm the economy in the long run. The leaders of these economies have realised also that in the globalised world of today, countries that could not depend on themselves cannot survive and prosper. They must always be at ready to move with the world, and planning to receive more aid is certainly not a proper strategy of economic governance. [9]

**(f) The Confusion of the Word IAP**

While the use of the word IAP apparently mimics the already well-known use in TILF-IAP with an intention to make it easy to remember and to carry the same connotation of commitment, the meaning was lost on those who are not familiar with the APEC process. If this is the case, then by spending extra efforts in explaining the story behind the successful practice of TILF-IAP should remedy the situation. The other choice is to use an entirely new word (and the word ‘individual commitment’ has been suggested for this), but the beneficial impact of the word IAP would be lost. Given time, the confusion stemming from the use of the word IAP would disappear. [10]

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[9] The opposite could be true that the problems lie with aid donors more than aid recipients. Aid donors are suspicious of one another as to the ulterior motives and hidden agendas of certain aid givers.

## 5. A Template for an ECOTECH-IAP

As a result of the discussion in the previous two sections, it is now possible to draw some pictures of what an ECOTECH-IAP will look like. ECOTECH-IAP is all of these:

- It is a project or program that each economy proposes to undertake individually within a specific time period (single-year or multi-year).
- The main purpose of this IAP is to achieve a certain goal in economic and technical cooperation areas that will help that economy attain a higher but more sustainable level of growth, and as such more conducive to getting more involved in freer trade and investment with other members.
- The target group of beneficiaries can be local people and population or people in other economies depending on the type of the IAP. A developing economy is likely to propose an IAP that will help build the capacity of their own people, increase the efficiency of their existing institutions, prepare various sectors in the economy to face changes brought about by freer trade and investment, and so on. A more developed economy may wish to help its less developed partners through sharing of best practices, technical advice and training, and other kinds of economic and technical cooperation.
- The main different between this type of project or program contained in the IAP and other projects or programs done elsewhere is that the IAP is a publicly announced action programs which show the commitment of the government to achieve a set of ECOTECH goals. By forcing the government to publicly commit to do these ECOTECH projects or programs on a regular basis, it is expected that the possibility of achieving Bogor goals will be faster.
- Members can learn from one another on the type of projects proposed and undertaken. Joint activities could be adopted after each member is assured of mutual benefits. Financial as well as other assistance may be provided or received on voluntary basis when both parties are also certain of mutual benefits.
- The prospects of learning from one another are indeed a highlight of this ECOTECH-IAP. Imagine a situation where all 21 economies have committed to undertake IAPs on ECOTECH, say, on an annual basis and made these known to everyone. The impacts from this practice will be enormous. After a few years, this could lead a new chapter on how countries could develop and trade

[10] A good example of the use of word that conveys specific meaning is the use of the word ‘watergate’ whose suffix, gate, has connoted a covered-up scandal.

together. These IAPs will be far different from ordinary projects undertaken by various government agencies without much control, coordination or evaluation.

With the above preconditions of the ECOTECH-IAP in mind, we can proceed to build a template for an interested economy to adopt and follow the action steps involved in constructing and implementing ECOTECH-IAP. My preliminary suggestion for a template for an ECOTECH-IAP appears in Table 1.

From this table, it may be seen that the format is not much different from an ordinary project proposal. As mentioned earlier, the difference lies in the level at which this proposal is made (national as contrast to simple line agency), and the completeness of the proposal that must come from careful preliminary work on the subject areas. The first year IAP may start small, with less ambitious outcome so that responsible agency or agencies get the feel of conducting this kind of individual action plans on ECOTECH. Across-APEC comparison of completed IAPs should provide an interesting compendium of results that can be used to build on more sophisticated IAPs in the second and later years.

## 6. Summary and Concluding Remark

In this paper I have attempted to explain the meaning of ECOTECH-IAP as I understand it. To me, the idea of an ECOTECH-IAP is a major innovation that could push ECOTECH agenda onto a higher level of significance in the APEC process in the sense that participating economies will be forced to consider undertaking ECOTECH activities on a regular and continuous basis, and carry them out in an open, transparent manner. It is a unilateral commitment that aims primarily to enhance the economic and technical cooperation aspects within the confine of each economy first, utilizing own financial, manpower, intellectual, and technical resources, but technical assistance can be requested, or offered by other more equipped members. As the economic and technical cooperation covers a large ground, economy may focus on one or two priority areas at first, and human resources development or human capacity building could be an important candidate for the selection.

In this paper, I have argued that the ECOTECH-IAP adds value to the existing ECOTECH agenda, does not overlap with the ECOTECH Clearing House, could have quantifiable outcome if one wants to although this is not critical, can be undertaken unilaterally as well as collective once mutual benefits from participating partners are established, is not an ODA project in disguise, and is using the powerful meaning of the word ‘IAP’ to portray the seriousness of intention. The outcome of ECOTECH-IAPs from all

21 economies could be a spectacular collection of economic and technical development work that could define the new thinking on economic and technical cooperation to the world community. This ECOTECH-IAP is truly a new challenge for APEC in its second decade of existence.

One recent phenomenon that has spread widely in the Asia Pacific region and among several APEC members is the advent and proliferation of bilateral free trade agreements (FTAs). To some, this poses a threat to the cohesion of APEC in its trade liberalization efforts. To me, it does not. I believe in the dual system where bilateralism and multilateralism can go hand in hand. As I hinted briefly in my paper (and explained in more detail elsewhere, such as in Medhi, 2001), I still have my positive outlook on the importance and relevance of APEC. Indeed, I see the emergence of these FTAs as enhancing ECOTECH aspects in APEC (and possibly the trade and investment facilitation aspects as well) by default. Once the Bogor goals are set and the IAPs on trade and investment liberalization are in place, the urgency in this aspect will become less (but pushed along concurrently by bilateral or regional FTAs). In its place, ECOTECH will become more important as members are trying get ready for the eventual free trade and investment in the Asia Pacific areas. The disappointment of the failure to launch a new round of multilateral trade negotiations (not the fault of APEC), will be more than made up by the success of this ECOTECH-IAP.

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**Table 1: A Template for an ECOTECH-IAP**

| Action step | Activity | Explanation |
|---|---|---|
| | | |
| 1 | Title of project or program, with rationale and time frame | Rationale for this project should be given special attention. The proposer should provide important background and explanation why such a project or program is needed, why existing knowledge is insufficient to meet the demand or requirement, and why this project or program must be undertaken now, with time frame of operation and completion. |
| | | |
| 2 | Objectives and expected outcome | After rationale is adequately given, the objectives will follow naturally. A set of expected outcome should also be given. |
| | | |
| 3 | People or organisations involved | List of people or group of people who will be involved in this project or program, and also institutions or organizations. Sometime this is known as the target group of the project: they must be identified. |
| | | |
| 4 | Sequencing of Activities | The whole scenario of the project must be laid down from the beginning to the end: who is to do what, when and how. |
| | - preparation process | This may involve preliminary study, survey, consultation, networking, etc. to make sure that everything is ready before the action is to start. |
| | - Approval process | The line of authority is important here. Approval mechanism must be in place in the beginning, but once it is set up, everyone should be free to proceed according to the plan. |
| | - Execution process | Many components may be involved: actual training; analysis; demonstration; surveys; seminars; |

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| | | workshops; site visits; and so on. |
| | - Monitoring and evaluation process | Mechanisms must be designed to monitor the progress of the project and to be able to give on-going evaluation with feedbacks to improve on the implementation of the project. |
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| 5 | Replication, dissemination, outreach | Once the project is completed, the responsible agency must think further on the replication of similar projects elsewhere. The outcome must also be publicized and disseminated to targeted public. |
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| 6 | Resources requirement issues | At all levels of operation, financial, manpower, and other input requirements must be completed before the project is launched. There should be no 'fishing expedition' where the project is only idea in need of financial or other support. |
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**Box 1: Variations on the Theme of ECOTECH-IAP**

On 20 April 2001, the Foundation for Development Cooperation (FDC) based in Brisbane, Australia, in cooperation with the China National Committee on Pacific Economic Cooperation, organized a one-day meeting among its Policy Dialogue Group members and the Chinese officials and scholars involving with organizing the 2001 APEC Summit in China on the topic: Promoting ECOTECH in APEC —Bridging the Digital Divide and Other Issues. ECOTECH-IAP was one of the major issues discussed in the meeting based on the paper presented by Dr. Medhi Krongkaew. The followings are some of the points discussed:

1. Participants were unanimous in their agreements on the importance of ECOTECH in the APEC process.

2. If individual action plan on ECOTECH is to be considered, it was properly more appropriate to integrate this ECOTECH-IAP with TILF-IAP. In other words, it would be more appropriate not to classify individual action plans separately into TILF and ECOTECH but combine them together within the single APEC framework.

3. It was not advisable, if not impossible, to aim at a consensus on this ECOTECH-IAP among all members. It was more advisable for one or two economies (probably including the host economy, China) to go ahead with an experimental form of ECOTECH-IAP and expect others to follow suit when the outcome is satisfactory.

4. Many participants were still concerned with the difficulties in identifying the specific outcomes of ECOTECH-IAP in comparison with TILF-IAP. But perhaps to help in the understanding the difference between TILF and ECOTECH, it is possible to look at TILF as providing a clear target, whereas ECOTECH is about how to get there.

5. In order to keep agenda on ECOTECH-IAP manageable, a common theme or target on ECOTECH could be set, then individual members design their own project to fit in the agreed theme or target.

6. Participation from outside organizations such as ABAC, World Bank or ADB is important for the success of this ECOTECH-IAP.

7. Some bureaucrats did not like the idea of ECOTECH-IAP because this would put an extra burden on their otherwise already very busy timetable.

At the end of the meeting, participants were optimistic that ECOTECH-IAP would receive the attention it deserves in the further meetings of ESC, SOM and other APEC fora.